

## FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the January 2007 to the April 2007 *Idaho Economic Forecast*. The January 2007 *Idaho Forecast* is based on Global Insight's December 2006 baseline forecast and the April 2007 *Idaho Forecast* is driven by Global Insight's April 2007 baseline U.S. macroeconomic forecast.

A comparison of several key variables shows how the outlooks for the national and state economies have changed compared to the January 2007 *Idaho Economic Forecast*. The national variables are discussed first. This review shows the national economic outlook has been downgraded slightly compared to the previous forecast. For example, real output is down 0.1% this year, 0.5% next year, 0.6% in 2009, and 0.8% in 2010. National personal income displays a similar declining pattern. Nominal personal income goes from being 0.4% stronger in 2007 compared to the previous January forecast to 0.2% weaker in 2010. Real personal income goes from 0.3% higher in 2007 to 0.4% lower in 2010. Inflation is higher in all years in the current forecast.

Idaho nonfarm employment has been reduced slightly from the previous forecast. Specifically, it is expected to be about 0.3% lower in each year than had been previously forecast, so that by 2010 there are about 2,100 fewer jobs. Interestingly, goods-producing employment goes from being 1,600 jobs lower in 2008 to virtually the same level in 2010. The gap between the current and previous forecasts for nongoods-producing employment actually widens with time, growing to about 2,100 by 2010. The outlooks for both nominal and real Idaho personal income have also been lowered. Nominal personal income is forecast to be about 1.6% lower in each year and real personal income is anticipated to be down about 1.7% annually.

**IDAHO ECONOMIC FORECAST  
FORECASTS COMPARISON  
DIFFERENCES BETWEEN  
APRIL 2007 AND JANUARY 2007 FORECASTS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>U.S. GDP (BILLIONS)</b>										
Current \$	0	0	0	0	0	9	68	10	-10	-26
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.5%	0.1%	-0.1%	-0.2%
2000 Chain-Weighted	0	0	0	0	0	5	-7	-54	-75	-100
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.5%	-0.6%	-0.8%
<b>PERSONAL INCOME - CURR \$</b>										
Idaho (Millions)	0	0	129	139	123	-223	-698	-792	-862	-875
% Difference	0.0%	0.0%	0.4%	0.4%	0.3%	-0.5%	-1.5%	-1.6%	-1.6%	-1.5%
U.S. (Billions)	0	0	0	0	0	-14	43	25	-5	-20
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.4%	0.2%	0.0%	-0.2%
<b>PERSONAL INCOME - 2000 \$</b>										
Idaho (Millions)	0	0	122	129	110	-181	-640	-672	-773	-806
% Difference	0.0%	0.0%	0.4%	0.4%	0.3%	-0.5%	-1.6%	-1.6%	-1.8%	-1.7%
U.S. (Billions)	0	0	0	0	0	-9	27	19	-20	-40
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.3%	0.2%	-0.2%	-0.4%
<b>TOTAL NONFARM EMPLOYMENT</b>										
Idaho	2	4	10	14	13	1,732	-1,050	-2,173	-1,605	-2,062
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	-0.2%	-0.3%	-0.2%	-0.3%
U.S. (Thousands)	0	5	-3	0	238	835	1,230	928	827	818
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	0.9%	0.7%	0.6%	0.6%
<b>GOODS PRODUCING SECTOR</b>										
Idaho	2	3	8	9	8	-317	-1,055	-1,646	-198	22
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.9%	-1.4%	-0.2%	0.0%
U.S. (Thousands)	0	0	0	3	55	196	263	38	-36	-14
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.9%	1.2%	0.2%	-0.2%	-0.1%
<b>NONGOODS PRODUCING SECTOR</b>										
Idaho	0	0	3	5	4	2,049	5	-527	-1,407	-2,084
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.0%	-0.1%	-0.2%	-0.4%
U.S. (Thousands)	0	5	-4	-3	182	639	966	890	863	832
% Difference	0.0%	0.0%	0.0%	0.0%	0.2%	0.6%	0.8%	0.8%	0.7%	0.7%
<b>FINANCIAL MARKETS</b>										
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	0.3%	0.2%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	0.3%	0.2%
Mort Rate, Existing Homes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.0%	0.0%
<b>INFLATION</b>										
GDP Price Deflator	0.000	0.000	0.000	0.000	0.000	0.039	0.657	0.628	0.665	0.776
Personal Cons Deflator	0.000	0.000	0.000	0.000	0.000	-0.036	0.122	0.018	0.175	0.262
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.008	0.006	0.011	0.014

**Forecast Begins the FIRST Quarter of 2007**